

February 5, 2013



OFFICE OF
**INSPECTOR
GENERAL**
UNITED STATES POSTAL SERVICE

HIGHLIGHTS

Fiscal Year 2012 Postal Service Financial Statements Audit – Eagan Accounting Services

Report Number FT-AR-13-009

BACKGROUND:

The U.S. Postal Service Eagan Accounting Services is responsible for processing payroll, maintaining the general ledger, reconciling financial data, and maintaining cash and receivable accounts. We conducted this audit in support of the independent public accounting firm's overall opinions on the Postal Service's financial statements and internal controls over financial reporting.

Our objectives were to determine whether:

- Financial accounting policies and procedures provide for an adequate internal control structure and comply with accounting principles.
- Accounting transactions are fairly stated.
- General ledger account balances conform to the general classification of accounts.
- The Postal Service complies with laws and regulations that have a direct and material effect on the financial statements.

WHAT THE OIG FOUND:

Financial accounting policies and procedures provided for an adequate internal control structure and complied with accounting principles. In addition,

accounting transactions were fairly stated, and general ledger account balances conformed to the general classification of accounts. Finally, the Postal Service complied with laws and regulations having a direct and material effect on the financial statements. However, we determined the Postal Service did not comply with federal regulations regarding records retention for the Combined Federal Campaign program.

We did not propose adjustments; however, throughout the year, we reviewed internal controls over financial reporting and issued a separate interim report regarding the interpretation of compensation cap provisions. The Postal Service is presently seeking advice from the U.S. Department of Justice Office of Legal Counsel to resolve all the issues identified in the interim report. Accordingly, we did not propose any further recommendations regarding the compensation cap provisions in this report.

WHAT THE OIG RECOMMENDED:

We recommended that management revise their records retention policy for the Combined Federal Campaign to comply with federal regulations.